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09/209,815	12/11/1998	ROBERT A. FERSTENBERG	8854-0006	6481

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PENNIE & EDMONDS  
1155 AVENUE OF THE AMERICAS  
NEW YORK, NY 10036

EXAMINER

MYHRE, JAMES W

ART UNIT

PAPER NUMBER

3622

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18

Please find below and/or attached an Office communication concerning this application or proceeding.

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**Office Action Summary**Application No.  
**09/209,815**Applicant(s)  
**Ferstenberg et al**Examiner  
**James W. Myhre**Art Unit  
**3622**

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136 (a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on Feb 25, 2002
- 2a) ☒ This action is **FINAL**.                      2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11; 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 116-121, 123, and 125-147 is/are pending in the application.
- 4a) Of the above, claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 116-121, 123, and 125-147 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claims \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are objected to by the Examiner.
- 11) ☐ The proposed drawing correction filed on \_\_\_\_\_ is: a) ☐ approved b) ☐ disapproved.
- 12) ☐ The oath or declaration is objected to by the Examiner.

**Priority under 35 U.S.C. § 119**

- 13) ☐ Acknowledgement is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d).
- a) ☐ All b) ☐ Some\* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \*See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).

**Attachment(s)**

- 15) ☐ Notice of References Cited (PTO-892)
- 16) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 17) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s). \_\_\_\_\_
- 18) ☐ Interview Summary (PTO-413) Paper No(s). \_\_\_\_\_
- 19) ☐ Notice of Informal Patent Application (PTO-152)
- 20) ☐ Other: \_\_\_\_\_

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## **DETAILED ACTION**

### ***Response to Amendment***

1. The amendment filed on February 25, 2002 has been considered but is ineffective to overcome the Ausubel (5,905,975) and Thiessen (5,495,412) references. However, a new reference was found which discloses the amended claims and has been used in the following rejection.

### ***Double Patenting***

2. The Terminal Disclaimer filed on February 25, 2002 has overcome the double patenting rejection of the pending claims over certain claims in U.S. Patent number 5,873,071 as discussed in paragraph 3 of paper number 10 and paragraph 3 of paper number 15. Therefore, the Examiner hereby withdraws the rejection.

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***Claim Rejections - 35 USC § 112***

3. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

4. Claims 139 and 147 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

5. Claims 139 and 147 are rejected under 35 U.S.C. 112, second paragraph, as being incomplete for omitting essential structural cooperative relationships of elements, such omission amounting to a gap between the necessary structural connections. See MPEP § 2172.01. The omitted structural cooperative relationships are: a computer readable medium containing computer instructions cannot perform these steps without some connection to a computer. The claim is missing the preamble to describe the purpose of the claim; for example: "A computer readable medium having instructions for managing a medical exam which, when executed on a computer, will perform the steps of: " (etc.).

Examiner notes that in order to clarify the invention the claim should also list the steps that the instructions will complete (see the 35 U.S.C. 101 rejection in paragraph 12 below).

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6. The following is a quotation of the fourth paragraph of 35 U.S.C. 112:

Subject to the following paragraph, a claim in dependent form shall contain a reference to a claim previously set forth and then specify a further limitation of the subject matter claimed. A claim in dependent form shall be construed to incorporate by reference all the limitations of the claim to which it refers.

7. Claims 139 and 147 are rejected under 35 U.S.C. § 112, fourth paragraph, as being of improper dependent form for failing to further limit the subject matter of a previous claim.

The claims discuss structure (apparatus) in a method claim which is improper because they cannot further limit the method as previously claimed.

***Claim Rejections - 35 USC § 101***

8. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

9. Claims 139 and 147 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. The claim includes both an apparatus (computer readable medium) and the method steps of Claim 1 and thus is directed to neither a “process” nor a “machine”, but rather embraces or overlaps two different statutory classes of invention set for in 35 U.S.C. 101 which is drafted so as to set forth the statutory classes of invention in the alternative only (*Ex parte Lyell*, 17USPQ2d 1551).

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***Claim Rejections - 35 USC § 102***

10. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless -

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or on an international application by another who has fulfilled the requirements of paragraphs (1), (2), and (4) of section 371© of this title before the invention thereof by the applicant for patent.

The changes made to 35 U.S.C. 102(e) by the American Inventors Protection Act of 1999 (AIPA) do not apply to the examination of this application as the application being examined was not (1) filed on or after November 29, 2000, or (2) voluntarily published under 35 U.S.C. 122(b). Therefore, this application is examined under 35 U.S.C. 102(e) prior to the amendment by the AIPA (pre-AIPA 35 U.S.C. 102(e)).

11. Claims 116-120, 123, 127-129, 133, 135, 137, 139, 140-143, and 145-147 are rejected under 35 U.S.C. 102(e) as being anticipated by Silverman et al (5,924,082).

Claims 116, 127, 128, 137, 139, 146, and 147: Silverman discloses a method and computer readable medium with computer instructions for negotiated transactions of commodities (col 7, lines 27-35), comprising:

a. Generating electronic opening messages requesting to buy and/or sell commodities by a plurality of participants (users/traders)(col 7, lines 25-33);

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b. Generating electronic offer messages from the intermediary to the participants to buy and/or sell commodities within the intermediary's objectives (parameters/guidelines/bidding rules)(col 8, lines 25-27);

c. Generating counter-offer messages generated within the buyer/seller's objectives (parameters/guidelines/bidding rules)(col 7, lines 46-49 and col 12, lines 11-13 and 25-26);

d. Repeating steps b and c (negotiating) until an agreement is reached which is within the objectives (parameters/guidelines/bidding rules) of the buyers and sellers and the quantity offered for sale equals the quantity offered for purchase (col 7, lines 46-49 and col 12, lines 11-13 and 25-26).

Claim 117: Silverman discloses a method for negotiated transactions of commodities as in Claim 116 above, and further discloses the messages being sent to and from the intermediary (auctioneer) and not directly between the participants (col 2, lines 17-40). In this passage, Silverman discloses that there are known trading system which automatically executes the trade once a match is found without the two participants being able to negotiate (communicate) directly with each other.

Claim 118: Silverman discloses a method for negotiated transactions of commodities as in Claim 116 above, and further discloses the sellers and buyers sending to the intermediary messages containing data representing commodities available for exchange (col 7, lines 25-33).

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Claims 119, 120, 129, 135, and 140-142: Silverman discloses a method for negotiated transactions of commodities as in Claim 116 above, and further discloses the subsequent counter-offer amounts are less than or equal to the offer amounts in the previous offer messages (col 7, lines 46-49 and col 12, lines 11-13 and 25-26).

Claims 123 and 143: Silverman discloses a system and method for negotiated transactions of commodities as in Claims 116 and 140 above, and further discloses that the objectives reflect the interests of the participants and are used to generate the counter-offers (col 7, lines 25-33).

Claims 133 and 145: Silverman discloses a system and method for negotiated transactions of commodities as in Claims 129 and 140 above, and further discloses the generating the offer amounts in order to maximize the value of the utility function (parameters)(col 7, lines 25-33).

***Claim Rejections - 35 USC § 103***

12. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

13. Claims 121, 125, 126, 136, and 138 are rejected under 35 U.S.C. 103(a) as being unpatentable over Silverman et al (5,924,082).

Claim 121: Silverman discloses a method for negotiated transactions of commodities as in Claim 116 above. While Silverman does not explicitly disclose generating the messages so as the



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exchange is determined in 90 seconds or less, the Examiner notes that this is a design decision. Both the Silverman system and the Applicant's system could arbitrarily be set to determine (i.e. complete) the exchange (auction) in 60 seconds, 120 seconds, or three days. Placing time limits on auctions is old and well known throughout the auction art. In virtually every "sealed bid" auction there is a set cutoff time for submitting bids and manytimes a set number of rounds of bids. Silverman discloses that the participants will enter the expiration terms with their bids/offers (col 7, line 28 and Fig. 5A, item 503), thereby effectively placing a time limit on the trade. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to set a time limit, such as 90 seconds, to complete the auction. One would have been motivated to select 90 seconds as a possible time limit in order to allow the participants enough time for multiple offers (bids) while still terminating the auction within a finite time.

Claims 125, 126, 136 and 138: Silverman discloses a method for negotiated transactions of commodities as in Claims 116, 129, and 137 above. While Silverman does not explicitly disclose that the prices are externally obtained, it is old and well known in the commodity trading arts to use the current market price as a starting point in negotiations. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to use the external market price as a starting point in the Silverman system.

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14. Claims 130 and 144 are rejected under 35 U.S.C. 103(a) as being unpatentable over Silverman et al (5,924,082) in view of Ausubel (5,905,975).

Claim 130: Silverman discloses a system for negotiated transactions of commodities as in Claim 129 above, but does not explicitly disclose that the total amount of commodities exchanged is maximized. Ausubel discloses a similar system for negotiated transactions of commodities in which the offer messages maximize the total amount of commodities exchanged (col 11, line 40 - col 13, line 5). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to maximize the total amount of commodities exchanged in the Silverman system. One would have been motivated to maximize the total amount in order to increase the revenue earned by the system. (One assumes that some type of "transaction fee" is being charged by the trading system to the participants as is normal in the business world.)

Claim 144: Silverman discloses a method for negotiated transactions of commodities as in Claim 140 above, and further discloses generating counter-offers according to the objectives of the participants (col 7, lines 25-33). However, Silverman does not explicitly disclose expressing the objectives according to a portfolio theory. Ausubel discloses a similar system for negotiated transactions of commodities which further discloses expressing the objectives according to portfolio theory (col 6, lines 50-63) and using the objectives to generate the counter-offers (col 11, lines 5-10). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to express the objectives in Silverman according to a portfolio theory. One would have been motivated to express the objectives according to a portfolio theory

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in order to facilitate the communication of such objectives through the use of a standard “language” of commodity trading, i.e. a portfolio theory.

15. Claims 131, 132, and 134 are rejected under 35 U.S.C. 103(a) as being unpatentable over Silverman (5,245,082) in view of Thiessen (5,495,412).

Claims 131, 132, and 134: Silverman discloses a method for negotiated transactions of commodities as in Claims 129 and 133 above and further discloses the system determining the “acceptability” of the match between the participants, but does not explicitly disclose measuring the unfairness of the share division of the commodity offers. Thiessen discloses using an unfairness calculation (satisfaction function) for resolving conflicting goals of participants during negotiations (col 4, lines 13-44) to maximize the satisfaction level (thus, minimizing the unfairness level) for each participant and to reach “an acceptable division of benefits among all parties” (col 11, lines 46-47). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to perform similar calculations during the negotiations in Silverman to ensure the final commodity exchange is equitable and fair to all participants. One would have been motivated to calculate and apply the fairness factor in order to prevent alienation of certain participants who may feel as if they were treated unfairly. This would especially apply in situations where the size of the participants varies greatly. For instance, an individual desires to purchase 50 units of a commodity while three investment entities desire to purchase 1,000 units each of the same commodity. If there were only 2,500 units of this commodity offered for sale,

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the individual would most probably feel it unfair if the investment entities were allowed to purchase all of the commodities available and none were left for him to buy. By using one of Thiessen's satisfaction calculations, all four purchasers would receive an equitable amount of units.

***Response to Arguments***

16. Applicant's arguments with respect to claims 116-121, 123, and 125-147 have been considered but are moot in view of the new ground(s) of rejection.

***Conclusion***

17. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however,

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will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Exr. James W. Myhre whose telephone number is (703) 308-7843. The examiner can normally be reached on weekdays from 6:30 a.m. to 3:30 p.m.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber, can be reached on (703) 305-8469. The fax phone number for Formal or Official faxes to Technology Center 3600 is (703) 872-9326. Draft or Informal faxes may be submitted to (703) 872-9327 or directly to the examiner at (703) 746-5544.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Group Receptionist whose telephone number is (703) 308-1113.

  
JWM

April 30, 2002



ERIC W. STAMBER  
SUPERVISORY PATENT EXAMINER  
TECHNOLOGY CENTER 2100